

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 12, 2021

TO: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

FROM: Shakita LaGrant-McClain, Director, Department of Health and Human Services and Aaron Hertzberg, Director, Department of Administrative Services

SUBJECT: From the Directors of the Department of Health and Human Services (DHHS) and the Department of Administrative Services requesting release of funds held in an allocated contingency account within capital project WS12601 - Youth Services Admin Relocation and Tenant Improvements

FILE TYPE: Action Report

REQUEST

This report seeks release of funding held in an allocated contingency account within capital project WS12601 – Youth Services Admin Relocation and Tenant Improvements. As part of the 2021 Adopted Capital Budget, the County Board approved budget amendment 1B005. This amendment required that a written plan detailing the project scope and location for the redeployment of staff be submitted to the County Board for review prior to the release of approximately \$4.7 million in funds being held in contingency to support a portion of the costs of this project. This report is being submitted to satisfy this request so that the funding may be released.

POLICY

Specific Adopted Budget Amendment:	1B005
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BACKGROUND

DHHS Administration Relocation Project

DHHS, the Department of Administrative Services-Facilities Management Division (DAS-FMD) and the Department of Administrative Services-Economic Development Division (DAS-ED) have been working together for over two years to strategize and plan a relocation of DHHS administrative staff from the Behavioral Health Division (BHD) Mental Health Complex, Marcia P. Coggs Human Services Center (Coggs) and the Vel Phillips Youth and Family Justice Center in support of the DHHS “No Wrong Door” approach to

customer service which is guiding the facility-related decisions.

This approach promotes the co-location of DHHS employees to a visitor-friendly facility to best serve the needs of customers. The planned transfer of in-patient services to the new Universal Health Services hospital currently under construction in West Allis and subsequent closure of the Mental Health Complex also require relocation of DHHS staff from the Mental Health Complex.

Decision to Remain at the Coggs Center

For over a year, DHHS worked with DAS-FMD and DAS-ED staff to identify leased location to accommodate approximately 430 DHHS staff, to provide for both administrative and customer service functions. After DHHS leadership reviewed a number of long-term lease options and buildout plans at various leased locations, the decision was made to remain at the Coggs Center due to the significant operating costs associated with the annual leases.

The original impetus for relocating from the Coggs Center was the building's lack of accessibility. This concern remains unchanged and is now the focus of a redesign effort being undertaken by FMD and its architectural consultant. Ultimately, the choice to remain at the Coggs Center was viewed as the best option as Coggs has been a long-recognized location for providing and receiving community services. The decision to consolidate DHHS staff at Coggs while investing in the building is well aligned with County strategic focus areas as well as the DHHS strategic plan.

In particular, a decision to remain at the Coggs Center:

- Accommodates more of DHHS's programs and services under one roof
- Enables closer proximity to the new Mental Health Emergency Center (MHEC) currently being constructed one block north of the Coggs Center, and our DHHS-Housing Division staff who are located at North 6th Street and West Walnut Avenue.
- Places staff and services physically closer to residents served by DHHS – with many services and staff moving from Wauwatosa to the heart of Milwaukee

Recently, DHHS and DAS-FMD conducted a walk thru of the building with a number of community stakeholders to gather feedback on the changes that are needed to ensure ease of access and a positive customer experience. This experience starts at the front door and continues throughout the first floor which is the focus of the preliminary planning and design work currently underway. In addition to the space program needs and accessibility improvements, investment is necessary to address significant deferred maintenance needs, additional office reconfigurations for other County departments and functions, and potentially tenant improvements to maintain the State of Wisconsin Department of Health Services as a tenant.

Funding

As mentioned in file 21-436, deferred maintenance requirements over the next 20 years are estimated to cost \$46 million. DAS-FMD staff has prepared a capital improvements plan to address the various near-term capital needs starting in 2022. Attachment 1 – Marcia P. Coggs Center Capital Investment details the infrastructure needs as well as tenant improvements that are required to create a more efficient and accessible space for employees and participants.

The attachment reflects about \$26.3 million in buildout and improvements of existing space and \$11.4 million in deferred maintenance. The total estimated cost is about \$37.7 million. The 2019 capital budget included \$660,000 for design, of which approximately \$520,000 is currently encumbered by the County's contract with the architectural consultant. Assuming the \$4.7 million in contingency funding is approved for release, this near-term financial need is reduced to about \$32.3 million. The \$4.7 million in contingency funding is not sufficient to fund all the currently-designed tenant improvements for the DHHS space and common spaces (currently estimated at approximately \$18 million) but will provide an opportunity to consider phasing the construction of DHHS tenant improvements.

This funding would be used to address the following immediate needs of the project:

- Design and engineering for the full scope of the project, not just the interior build outs
- Pre-construction services including scope, cost, and schedule development
- Engaging an Owners Representative to provide overall organization and controls to the project team
- Conducting any required pre-construction site or building investigations
- Initiating procurement and construction activity

DHHS plans to submit a request for the balance of funding to the county's American Rescue Plan Act (ARPA) Task Force to be considered on Dec. 2, 2021. While this is a significant request, DHHS believes that it more than meets the eligibility for use of the funds. In addition, given the closure and transfer of ownership of the DHHS-BHD Mental Health Complex, need to relocate staff from the Mental Health Complex as soon as possible to reduce existing operating costs and the absolute necessity to create a central space that treats people with respect and dignity, DHHS plans to move forward with its request of ARPA funding to cover the gap. If ARPA funds are approved to cover the remaining project costs, detailed planning and pre-construction need to begin immediately to meet ARPA project deadlines.

Related File No's:	20-110, 20-485, 21-314, 21-436, 21-799
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STRATEGIC PLAN ALIGNMENT & RACIAL EQUITY COMPONENT

The relocation of DHHS staff supports the DHHS “No Wrong Door” approach, which aligns to the County’s strategic plan. Through the renovation of the Coggs Center, the goal is to create a welcoming and accessible space for our employees and participants so that they feel valued, respected and dignified. In addition, after assessing the costs of leased spaces, a determination was made that remaining at the Coggs Center was the best fiscally sustainable option. Finally, the decision to collocate employees across all DHHS divisions is driven by a desire to breakdown silos so that we create easier access for our participants and dismantle the barriers that prevent or inhibit access.

RECOMMENDATION

It is recommended that the Milwaukee County Board of Supervisors authorize the Department of Administrative Services – Performance, Strategy and Budget (DAS-PSB) and the Office of the Comptroller to release the \$4,663,816 in funds from the allocated contingency account into capital project WS12601 – Youth Services Admin Relocation and Tenant Improvements.

FISCAL EFFECT

The funding is included in an allocated contingency within project WS12601 in the adopted 2021 Capital Improvements Budget. There is no fiscal effect.

TERMS

Not applicable.

VIRTUAL MEETING INVITEES

Shakita LaGrant-McClain, Director, DHHS
Aaron Hertzberg, Director, DAS
David Muhammad, Deputy Director, DHHS
Matt Fortman, DHHS Fiscal Administrator
Clare O’Brien, Budget & Policy Director, DHHS
Peter Nilles, Director, Facilities Planning and Development, DAS-FMD
Adam Stehly, Project Manager, DAS-ED
Stu Carron, Director, Facilities Management Division, Department of Administrative Services

PREPARED BY

Clare O'Brien, Budget & Policy Director, DHHS

APPROVED BY

Shakita LaGrant-McClain

Shakita LaGrant-McClain, Director
Department of Health and Human Services

Aaron Hertzberg

Aaron Hertzberg, Director
Department of Administrative Services

ATTACHMENT

1 – Marcia P. Coggs Center Estimated Capital Investment

cc: David Crowley, County Executive
Sup. Jason Haas, Chair, Finance Committee
Sup. Felesia Martin, Chair, Health Equity, Human Needs, & Strategic Planning Committee
Mary Jo Meyers, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board
Steve Cady, Research Director, Comptroller's Office
Janelle M. Jensen, Manager, Legislative Services, Office of the County Clerk
Pam Matthews, Fiscal & Management Analyst, DAS